

4 March 1981

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 4 March 1981

25X1

The DCI was in the chair. []

The DCI noted that his appearance before the SSCI on 2 March seemed to go well. Hitz noted that the Committee thought so too. []

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The DCI said that we should followup on Senator Wallop's request for a coordinated plan and guidance for counterintelligence activities of the government so that the current fragmented state of the US counterintelligence operations is ended. The DCI said he didn't know how close we could come to getting a single policy but he would discuss the problem with the D/FBI and asked for related material prior to his upcoming trip. At this point Hitz interjected that the DCI had to make a decision on who would attend the hearings on counterintelligence (which the D/FBI had gotten delayed). The DCI said he wanted Admiral Inman, McMahon and Admiral Showers to attend the hearings with him. []

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The DCI noted that Senator Wallop was also concerned about the loss of technology and had asked for a better effort in ending this loss. The DCI asked to be advised on what CIA's and the government's machinery is in dealing with technology loss and also wanted some information about smuggling and commercial fronts and what is being done. Bross commented he thought the DCI had the authority and responsibility for controlling the release of sensitive technology that is relevant to intelligence. Admiral Inman noted the authority is inferential except where sources and methods are involved. The DCI requested information prior to his trip. (Admiral Showers is preparing.) []

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Admiral Inman said the DCI has committed us to several objectives and that while he is gone papers will be compiled. The DCI said he plans to prepare a memorandum laying out exactly what it is he wants.

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Hitz noted that we should begin thinking about the House Appropriations Committee budget cycle which will begin on 23/24 March and which will initially cover the Community budget. In response to Hitz's question about who would present the budget, the DCI said he had not yet decided. []

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Hitz said we can expect hearings on the Identities legislation to begin on 20 April and the hearings for FOIA to start shortly thereafter. Hitz added that the Chairman of the House committee handling FOIA will be here on 20 March to discuss the legislation. []

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In response to the DCI's question about the make-up of the SSCI staff, Hitz said that on money issues Dan Childs would be responsible for the NFIP and Ed Levine would be responsible for the CIAP. The DCI said that if Levine proves to be a problem Hitz should get back to Jack Blake. []

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Hitz noted that Senator Bentsen would meet the DCI this afternoon. []

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Hineman noted an article which appeared in this morning's Washington Post (attached) on Law of the Sea and passed a memo on the last SIG meeting on this topic to the DCI. The DCI noted that Ambassador Kirkpatrick is interested in Law of the Sea, particularly on minerals and mining. In response to the DCI's question about what was available, Hineman said he didn't know if NFAC had any current papers on this subject, but he would have NFAC prepare the necessary material.

Admiral Inman said that [] DIA, had some papers on the subject and he would call him. []

Fitzwater noted that the Agency was [] under ceiling in February, that [] people have been cleared for EOD, and that [] applicants are in process. []

Fitzwater noted that the State Department is giving its returned hostages the Award for Valor on 16 March. []

McMahon reported that the SSCI has scheduled a covert action hearing for 19 March and has invited State, CIA and the NSC to attend. Hitz said it's not likely that the NSC will participate. []

McMahon noted a letter from Senator Hatfield asking the DCI to reaffirm his predecessors' pledge not to use clergymen as collectors of foreign intelligence. Silver and Hitz are preparing a response for the DCI's signature. []

Admiral Inman noted he spent 6 1/2 hours before HPSCI testifying on the consolidated cryptological program and the tactical cryptological program and now that this is over, he'll be able to spend more time on other matters. []

The DCI passed Hineman a magazine article on "The Propaganda Sweepstakes" (attached) and asked for material to bring the new ICA team up to date on propaganda. []

Approved For Release 2007/10/29 : CIA-RDP84B00130R000600010409-6

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THE NEW YORK TIMES, SUNDAY, MARCH 1, 1981

Secrecy of U.S. Reconnaissance Office Is Challenged

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, Feb. 28 — The exceptionally secret status of the National Reconnaissance Office, one of the nation's most expensive and sensitive intelligence organizations, is likely to be reviewed by the Reagan Administration, according to senior Government officials.

At present, even the existence of the office is officially classified. In the intelligence community, it is known as a "black" operation, meaning that nothing about its work or the identity of its officials is subject to public scrutiny.

The mission of the office, according to scarce reports that have arisen over the years, is to oversee the development and operation of spy satellites used to photograph foreign territory and to monitor international communications.

Its budget, which is hidden in Air Force operations, exceeds \$2 billion a year, according to Government officials. By comparison, the budget of the Central Intelligence Agency is about \$1 billion.

Level of Secrecy Challenged

The office's special status is being challenged, however, by some Government officials and by others outside the Government who are concerned that the extreme level of secrecy is excessive.

Some officials, including senior Reagan Administration aides, are concerned that the wholesale secrecy surrounding the office has debased the value of other security classifications. The office's classification can be reduced or eliminated by Presidential executive order.

Others in and out of the Government believe that the office has used its secret status to shield past abuses and a history of major cost overruns.

Specifically, documents released by the Central Intelligence Agency under the Freedom of Information Act disclosed that satellites operated by the reconnaissance office were used in the late 1960's and early 1970's to photograph antiwar demonstrations and urban riots, in an apparent effort to determine crowd size and the activity involved.

Potentially Embarrassing Areas

The documents, which deal with intelligence operations considered potentially embarrassing to the Central Intelligence Agency by its officials, mention satellite imagery "possibly outside the C.I.A.'s legislative charter." They were released, some in 1979 and some in recent weeks, to the Center for National Security Studies, a privately financed research organization often critical of American intelligence activities.

A former senior official at the reconnaissance office said in an interview that such uses of satellites were "quite likely," although he said he had no firsthand knowledge of such domestic surveillance.

Two former intelligence officials said they had heard of such uses from colleagues at the time. One said the Central Intelligence Agency ordered the reconnaissance office to turn satellites on the United States as part of its effort to collect intelligence about domestic unrest.

Photographing public gatherings or demonstrations by satellite would not necessarily be illegal, according to officials. The use of such photographs by the Central Intelligence Agency for domestic intelligence gathering would, however, have violated prohibitions against agency operations in the United States.

Maneuvering of Satellites

The routine operation of satellites, including such maneuvers as turning them on and off and facing them toward or away from the sun, is handled by the reconnaissance office. The Central Intelligence Agency, which receives and analyzes imagery, and the National Security Agency, which is the recipient for communications monitored by satellite, generally determine what terrain and communications are selected for surveillance, intelligence officials said.

The most advanced photo reconnaissance satellites, using sophisticated cameras with powerful lenses, can produce clear pictures of cars, trucks and even individuals from orbits 100 miles high, officials said.

The former official of the reconnaissance office also confirmed that projects managed by the office had run as much as 100 percent over budget. Other officials familiar with the office's budget said that excess costs had reached four or five times projected totals.

The reconnaissance office contracts with companies such as the Lockheed Corporation and the Hughes Aircraft Company for the design and manufacture of satellites. Government officials said the office's extra expenditures could be only partly justified by the advanced technology required in satellite development.

Concern About Oversight

"Some of the overruns raise questions about proper management of the program," said a Senate staff member familiar with the reconnaissance office. He, as well as senior Government officials interviewed, asked not to be identified because of the strict secrecy governing the office.

They agreed to discuss the subject, they said, because of concern that the office had operated without the rigorous overseeing normally given to intelligence work by Congress and the executive branch.

The budget and staff of the reconnaissance office are hidden in Air Force operations, officials said. Its director is normally the Under Secretary of the Air Force or the Assistant Secretary for Research and Development.

Congressional oversight is handled by the Senate Select Committee of Intelligence and the House Permanent Select Committee on Intelligence.

Defense of Committee Actions

Spencer Davis, a staff member who is spokesman for the Senate Intelligence Committee, said "the committee feels it is fulfilling its responsibilities" to oversee intelligence agency budgets. He said he could not comment on allegations of excess costs by the reconnaissance office.

When a prospective Air Force Under Secretary or Assistant Secretary goes before the full Senate for confirmation, no mention is made of the office's dual responsibilities. One Senator on the Intelligence Committee estimated that two-thirds of his colleagues in the Senate would not know they were simultaneously voting to approve the head of the reconnaissance office.

A similar lack of knowledge appears to exist in the House. Representative Benjamin S. Rosenthal, Democrat of Queens, who has been a Congressman since 1962 and has served on the House Foreign Affairs Committee for 16 years, said he had never heard of the reconnaissance office.

When asked about the reconnaissance office, Herbert E. Hetu, chief spokesman for the Central Intelligence Agency, said, "We can't even discuss the name."

An Air Force public affairs officer returned a call to Robert J. Hermann, the holdover Assistant Secretary for Research and Development from the Carter Administration who is now head of the reconnaissance office. The officer, Maj. Art Forster, said that the Air Force "does not discuss reconnaissance matters." The Reagan Administration has not yet named a new Under Secretary or Assistant Secretary.

Office Established in 1961

Officials said the reconnaissance office was established in 1961 to exploit the nation's early surveillance satellites. It took over a reconnaissance project run by the Central Intelligence Agency, which had developed the U-2 reconnaissance plane.

Many intelligence officials consider the extreme secrecy an anachronism. "Everyone knows we fly satellites to spy on the Soviets and to help verify arms limitation agreements," said one. "It no longer makes any sense to cloak the whole program in secrecy."

These officials noted that President Carter mentioned the use of satellites to monitor Soviet missile testing when he was campaigning in 1979 for passage of the second agreement to limit strategic arms. Before that, satellite monitoring was euphemistically referred to as "national means of verification."

Official mention of reconnaissance satellites dates back to 1967 when President Johnson inadvertently discussed the subject before a small group of educators and Government officials in Nashville, Tenn.

Reasons for Tight Secrecy

Extremely tight secrecy has been maintained for several reasons despite these and other public comments, officials said.

One concern, they said, was that Government acknowledgement of the reconnaissance office's work might prompt the Soviet Union to break the unstated understanding between the two superpowers that each would tolerate the use of reconnaissance satellites by the other to collect intelligence on more than arms limitation verification. The Soviet Union could, for example, take steps to protect itself from reconnaissance by encoding more of its communications, or even by attacking American satellites.

A second reason cited was the sensitive nature of the technology involved. "Once we start answering questions and opening doors," said one Defense Department official, "where do we stop?"

A third reason, intelligence officials said, is fear that once the reconnaissance office is partly declassified, it will be subject to requests for information made under the Freedom of Information Act. Such requests, officials said, might produce evidence of the office's cost overruns and domestic surveillance.

Inquiries by Senator Proxmire

To date, such evidence has been sketchy and incomplete. In the early 1970's, Senator William Proxmire, Democrat of Wisconsin, made private inquiries about the reconnaissance office after receiving reports of overruns.

A Proxmire aide said that the Senator confirmed that the office frequently exceeded cost projections on satellite development, sometimes by sums unusually large even for military projects.

The former senior official at the reconnaissance office said it was "not unusual" for projects to cost twice as much as anticipated. "We were operating at the frontiers of technology," he said, "and no one really knew how much things would cost when we started."

He said the cost of one satellite could be \$80 million. An F-15 fighter, the nation's most advanced, costs \$27 million. Other officials said satellite costs sometimes exceeded \$100 million per satellite.

Officials said that some of the high costs stemmed from the difficulty of building sophisticated electronic devices capable of withstanding the extreme heat and cold of space for three of four years without malfunctioning.

"There's no question about giant overruns at N.R.O.," said one intelligence official. "The issue is why. Most of the extra costs are justifiable. There are some that result from waste and bad management."

WASHINGTON Post, WED, 4 MAR 81
FRONT PAGE

Sea Law Treaty Being Blocked At White House

By Don Oberdorfer,
Washington Post Staff Writer

The Reagan administration, responding to pleas from U.S. mining interests, has decided to block early completion of the nearly finished Law of the Sea Treaty involving 150 nations and seven years of negotiation.

The administration's action was formulated at an interagency meeting Monday chaired by Deputy Secretary of State William C. Clark, and made public in a little noticed one-paragraph press statement.

The statement referred to "serious problems" in the current draft of the lengthy and complex treaty, which contains 320 clauses. The State Department yesterday identified these problems as the deep seabed mining provisions, especially a desire to ensure the access of United States industry to seabed minerals on "fair and reasonable" terms.

Washington's decision is likely to generate a strong reaction next week as delegations from throughout the world gather at the United Nations for what had been expected to be the final six-week round of the marathon global negotiations.

Singapore's Ambassador T.T.B. Koh, who has been a leader in the talks, said he was extremely upset to learn of the decision from U.S. diplomats, especially how that it is too late to head off the forthcoming negotiation meetings involving more than 150 countries. Koh expressed the fear that the U.S. posture will undercut compromises proposed or approved by the Nixon, Ford and Carter administrations and backed successfully by "moderate delegations" of the Third World.

The U.S. delegation to next week's negotiation, according to the State Department announcement, has been instructed to make sure that the treaty is not completed pending a policy review in Washington. The upshot of the review may be new U.S. positions on seabed-mining that would require reopening previously negotiated sections. It is uncertain whether the rest of the nations of the world will agree to such a bid.

The most important opposition to the current draft of the treaty, according to those who have followed the matter, comes from major corporations that are heavily involved in plans or programs of deep seabed exploration. These include corporate combines headed by Lockheed Aircraft Corp., United States Steel Corp., and Kennecott Copper Corp., respectively.

Last July's national platform of the Republican Party, responding in part to pleas from the mining interests, charged that the Law of the Sea negotiations "have served to inhibit U.S. exploration of the seabed" while "concern has been lavished" on Third World nations. Subsequently, members of Congress from both parties have criticized the treaty draft in letters to President Reagan.

Monday's interagency meeting is reported to have featured shifts in position by several U.S. agencies. For example, the Defense Department previously had been among the most powerful backers of an overall Law of the Sea agreement because of provisions protecting the right of passage in sea lanes. At this week's meeting, according to informed sources, the representative of the Joint Chiefs of Staff continued to back the treaty but the secretary of defense position, expounded by Undersecretary-designate Fred C. Ikle, was that "serious problems" involving seabed mining must be resolved.

Hearings on the Law of the Sea negotiations have been scheduled for Thursday before a Senate Foreign Relations subcommittee headed by Sen. Larry Pressler (R.-S.Dak.). In a letter to the president, Pressler said ratification of the current version of the treaty would encounter "great difficulty" in the Senate because of objections regarding seabed mining.

The Propaganda Sweepstakes

Moscow tries harder

During the day, Deepak Kumar, 10, goes to school in New Delhi. In the evenings he earns a few rupees brushing ticks off the dogs owned by a local American artist. In response to a question from his boss about his classwork, Deepak boasts: "It's all right. I'm best in my class in Russian. And look, I have a library card." The card he proudly displays admits him to the library at the Soviet embassy. There he can find children's books, as well as tracts on Soviet life. He has no comparable access to American literature. Children who want to borrow books from New Delhi's American center must have their parents get a card. Deepak's folks, both of whom work long days, are unable to make the trip.

Every day, around the globe, the hearts and minds of people like Deepak Kumar—as well as his parents and friends—are reached on a battlefield in the East-West struggle where words are the chief weapons. With their troops occupying Afghanistan and massed to pounce on Poland, the Soviets have a lot to explain these days. Through a propaganda effort perhaps seven times as large as that of the U.S., and with more sophistication than ever before, they are doing just that.

The Central Intelligence Agency estimates that the Soviet Union spends \$3.3 billion annually on propaganda activities of one kind or another. That includes such overt efforts as Radio Moscow's foreign service (\$700 million) and the Communist Party's international activities (\$150 million). It also includes such indirect propaganda efforts as TASS, the Soviet news agency, which spends \$550 million a year spreading Moscow's view of world events to foreign countries. By contrast, the U.S. International Communication Agency (ICA)—which coordinates the Voice of America, cultural exchanges, films, speakers, exhibits and other aspects of U.S. "public diplomacy"—has a budget of only \$448 million. Even if the \$87 million the U.S. spends separately for Radio Free Europe and Radio Liberty are included, the total is still a small fraction of the Soviet propaganda budget.

In radio broadcasting, this disparity means that American stations broadcast for 1,818 hours a week in 45 languages, mostly to Eastern Europe and the Soviet Union, while the Soviet Union broadcasts for a total of 2,022 hours a week in 82 languages to virtually every one of the world's 165 countries.

During his presidential campaign, Ronald Reagan spoke of increasing the American propaganda effort, but in this winter of budget cutting no additional money is fore-



Broadcasting the news from the Munich headquarters of Radio Free Europe and Radio Liberty

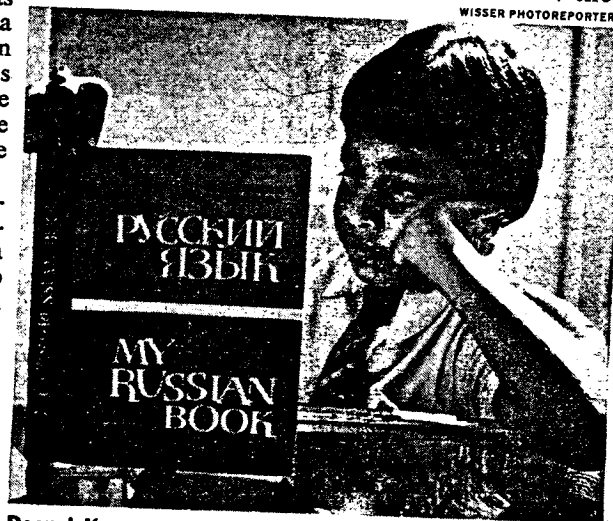
seen. This week the President is expected to name a new head of the ICA. The leading candidate: California Businessman Charles Wick, a close friend who was co-chairman of the Reagan Inauguration Committee.

The Soviet counterpart is Leonid Zamyatin, chief of the Central Committee's International Information Department. He is a former director of TASS who operates under the guidance of the party's longtime chief ideologist, Mikhail Suslov. TASS serves as the backbone of Soviet propaganda. The bluntness of TASS's bias often works against it. For example, the Soviets in 1963 provided, free of charge, equipment for receiving TASS bulletins to the fledgling Kenyan news agency. The Kenyans, however, soon started using the equipment to receive Britain's Reuters wire service as well. A former Kenyan journalist says he was supposed to give equal play to both news services, but that

the TASS material arrived days later than Reuters, and was too late to be usable. The CIA claims that the Soviets often try to plant loyalists in local broadcasting stations so that TASS reports will get better play.

TASS provides most of the material for Radio Moscow, the Soviet version of the Voice of America. In the past two years the broadcasts have been enlivened by sprinkling Soviet-made jazz and rock music recordings among the turgid recitations of editorials. Radio Moscow propaganda is much less vitriolic than the printed press; a Soviet delegation returning from a visit to the U.S. might be quoted by Radio Moscow as saying that the Americans they met share with them an aim of world peace. The broadcasts in English are now particularly subtle, using announcers who try to sound indistinguishable from those on the VOA or England's BBC World service. This new sophistication, however, does not exclude an unfounded allegation here and there. Soviet media actively spread the word, for example, that the U.S. was responsible for the 1978 kidnapping and murder of former Italian Premier Aldo Moro. In addition, events often have to be filtered through an ideological bureaucracy before they are reported. For example, news of the death of former Prime Minister Alexei Kosygin was withheld for 36 hours by TASS and Radio Moscow. Even Soviet citizens heard the news first on Western broadcasts.

The Soviets also make use of "clandestine" radio broadcasts, transmissions that purport to originate from within a particular recipient country but actually come from the Soviet Union or an East



Deepak Kumar studying Russian in New Delhi
"And look, I have a library card."

bloc ally. The "National Voice of Iran," a source of inflammatory anti-U.S. propaganda, is actually located in the Soviet Union. Furthermore, other Moscow-aligned Communist countries deliver more than 5,000 additional hours a week of pro-Soviet (and anti-American) broadcasting, more than twice the output of Radio Moscow. Radio Havana broadcasts to Africa and Europe through transmitters in the U.S.S.R. In parts of the U.S., Radio Havana can be heard at 600 kHz on AM radio.

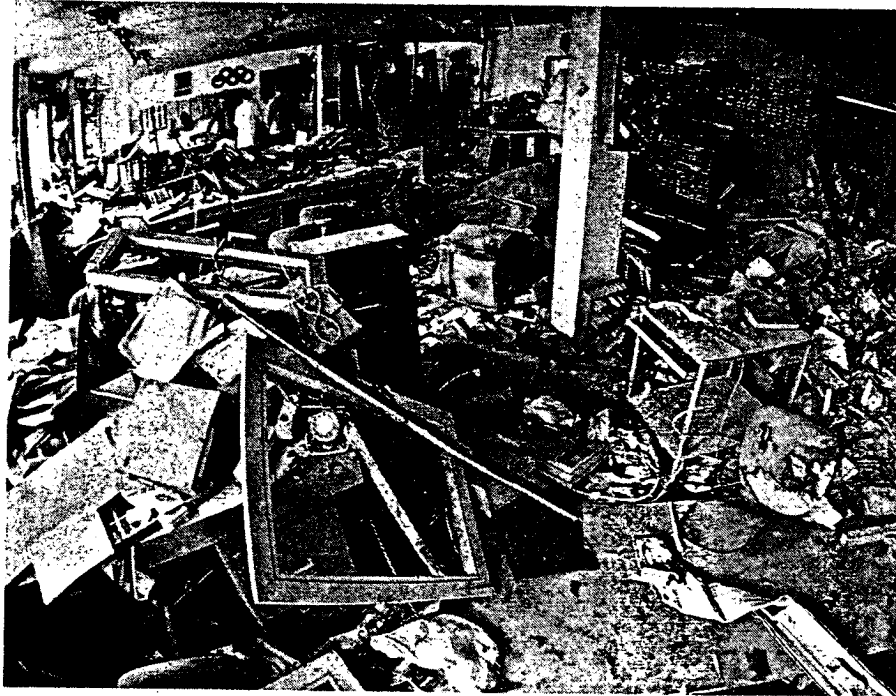
The Soviet propaganda effort is furthered by three types of groups in foreign countries. Foremost are the Moscow-aligned local Communist parties, such as the Tudeh Party in Iran and Communist parties active in Western European countries. In addition, in 126 countries there

and Radio Liberty, which broadcasts to the Soviet Union, are organizationally and financially distinct from the VOA network. Unlike the VOA, they are engaged in more direct and blunt propaganda. Founded in the early '50s, they were originally funded secretly by the CIA. Since 1971 they have been independent, congressionally supported corporations with some private donations. Based in Munich, they are staffed largely by expatriates from the nations they broadcast to. There are no Nielsen ratings for international propaganda broadcasting, but U.S. officials insist that their programs—a variety of news and music—are more popular than those of Radio Moscow. Says acting VOA Director William Haratunian: "The Soviets do more, but in audience the VOA is No. 1." Wil-

Haig that the VOA and other radio stations under U.S. control were making "provocative and instigatory" broadcasts that were "an open interference in Polish internal affairs." The Soviets are responsible for a little interference of their own. According to RFE's Buell, they spend as much as \$200 million a year to jam Western broadcasts, more than twice RFE's entire budget. (The U.S. does not interfere with Radio Moscow transmissions.) The most effective Soviet jamming is of broadcasts to Czechoslovakia and the Soviet Union.

A week ago, the Munich headquarters of RFE was bombed, causing \$2 million worth of damage but no interruption in service. West German investigators are focusing, as one put it, on "the possibility of an attack by foreign agents."

The U.S. effort is supplemented by other Western broadcasts, particularly the highly regarded BBC World Service, which has 10 million listeners in the Soviet Union and Eastern Europe. Funded by the British government at some \$100 million a year, it has been praised by Soviet dissidents for its accuracy and professionalism—and savored by expatriate Britons, and not a few Americans as well, around the world. "People tune to us because we still have a reputation of credibility," says a BBC executive.



Damage caused by explosion a week ago at RFE and Radio Liberty

The Soviets do more, but "we're winning the battle of listenership."

are Soviet "friendship societies" coordinating cultural exchanges, visits and exhibitions; in 1979 a total of 55,300 students from the Third World were studying in the Soviet Union. On a less direct level, Moscow has a phalanx of organizational allies with branches in many countries; the most notable is the Helsinki-based World Peace Council, which the CIA claims is designed to support Moscow's foreign policy through mass meetings and demonstrations in the 130 countries where it has affiliates. Such groups not only spread a pro-Soviet ideological line but provide TASS and Radio Moscow with sympathetic Western sources to quote.

The Voice of America, on the other hand, aims to build credibility mostly by presenting straight news, not propaganda. Radio Free Europe, which broadcasts to most Warsaw Pact nations,

liam Buell, senior vice president of Radio Free Europe, agrees, saying of the three American broadcast services: "We're winning the battle of listenership."

The recent rise of limited free expression in Poland has resulted in a few testimonials to the effectiveness of Radio Free Europe. Union Activist Waldemar Sobora was quoted as saying of the Gdansk strikes: "I learned what was happening on the coast from RFE and other Western stations." In a censored article that later appeared in the *samizdat* (the underground press), Writer Stefan Kisilewski charged: "The [Polish] media belong to the party elite and not to the people, who must learn about their own doings from RFE."

Such influence has produced frequent complaints from Moscow. Two weeks ago, Foreign Minister Andrei Gromyko angrily wrote Secretary of State Alexander

How effective are Soviet and American propaganda efforts in the crucial battlegrounds of the Third World and nonaligned states? Many State Department diplomats feel that the ICA is amateurish, underfunded, ineffective and occasionally counterproductive. India, reports TIME New Delhi Bureau Chief Marcia Gauger, provides a clear, if somewhat dispiriting, example. Says one Indian: "The impact is that the great white father has come to dispense knowledge on his lowly children." The Soviet presence, on the other hand, is extensive, sensitive and effective. Says Indian Housewife Jaysree Ramanathan: "When Brezhnev was here, they sent a booklet on what a great guy he is, from his grandparents through his life to his grandchildren." The booklet, which describes the Soviet leader as a boy who rose from poverty, was printed in 14 Indian languages and distributed all over the country. The Soviets have the Communist Party of India to work through, its party newspaper called the *Patriot* to reflect their line, and considerable influence over other newspapers through propaganda advertisements, such as descriptions of visiting Moscow delegations.

When American aid to India was reduced in the early '70s, so was the U.S. propaganda effort there. The Soviets, meantime, have stepped up their efforts. There are 50% more Soviet radio broadcasts to India than American ones per week, and the monthly magazine *Soviet Land*, published in twelve

languages, has a circulation almost eight times that of America's *Spa* which costs more than three times as much. The U.S. provides Indian editions of about 200 books and six academic texts; the Soviet catalogue is 144 pages long and lists some 2,200 titles. In addition to propaganda tracts, the Soviets offer such things as medical textbooks (nearly 50 titles) priced as low as \$1.10 a copy.

The Soviets have also just reactivated their "Friends of the Soviet Union" program, while ICA-sponsored Indo-American Friendship Societies have languished. The American effort is based on reaching about 6,000 of the urban political and professional elite. Officials say this is the most effective way to use their limited resources, but critics say it is preaching to the converted. The Soviets, on the other hand, travel to the most remote regions to participate in local festivals, and their visiting academics join in seminars organized by Indian scholars.

The difference has caused, observers say, the American image to be capitalistic, imperial and elitist while the Soviets are perceived as "pro-people." Says one high Indian source: "The Soviets have not only established contacts among the urban elite, but they have gone to the smaller towns to form Indo-Soviet friendship societies and socialist study groups. The Indian is impressed that the average Soviet is interested in learning our languages. Their cultural officers stay here for years and years." Says another Indian observer: "The best impact ever made by the Americans was a group of high school students who gave a musical performance. They were open-faced, bright young people. They were fascinated by elephants. Such a group singing folk songs is worth more than 500 articles on American policy, which only puts people's backs up."

Former U.S. Ambassador Robert Goheen, who was born in India, says the ICA has done a respectable job with its limited money, but adds that the effect of Moscow's enormous effort is worrisome. Says he: "The Soviets have created an image of a country that is non-threatening and supportive of India. Because of a record of more than 30 years, Soviet ships in the Indian Ocean are perceived as benign, whereas American ships raise the threat of a superpower confrontation." One ray of hope is that Soviet actions, such as the invasion of Afghanistan, will undo that country's public relations prowess, and that the U.S. will not repeat policy shifts that angered the Indians, such as the Carter Administration's withholding of promised nuclear fuel. Says Goheen: "All the public diplomacy in the world cannot overcome the erratic or threatening actions of a country." —By Walter Isaacson.

Reported by Hays Gorey/Washington and Bruce W. Nelson/Moscow